

**Orange Coast College Foundation**  
**Audited Financial Statements**  
*For the Years Ended June 30, 2013 and 2012*  
*with Report of Independent Auditors*

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## Report of Independent Auditors

### To the Board of Directors of Orange Coast College Foundation

We have audited the accompanying statements of financial position of the Orange Coast College Foundation (a Component Unit of the Coast Community College District) as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Orange Coast College Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Vargus + Company LLP*

Los Angeles, California  
November 26, 2013

**Orange Coast College Foundation  
Statements of Financial Position**

	June 30	
	2013	2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,005,349	\$ 401,748
Pledges receivable	570,730	-
Prepaid expenses	30,929	27,470
Beneficial interest in charitable gift annuity	36,136	36,136
Investments	11,248,952	10,805,991
Assets held for sale	1,062,601	121,221
Capital assets, net	2,573,209	4,048,815
<b>Total assets</b>	<b>\$ 16,527,906</b>	<b>\$ 15,441,381</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 75,548	\$ 78,498
Charter deposits	-	100,000
Due to Coast Community College District	37,075	28,441
<b>Total liabilities</b>	<b>112,623</b>	<b>206,939</b>
<b>Net assets</b>		
Unrestricted	450,073	458,582
Temporarily restricted	15,965,210	14,775,860
<b>Total net assets</b>	<b>16,415,283</b>	<b>15,234,442</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,527,906</b>	<b>\$ 15,441,381</b>

*See notes to financial statements.*

**Orange Coast College Foundation  
Statements of Activities**

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
<b>Support:</b>						
Contributions	\$ 82,962	\$ 1,575,275	\$ 1,658,237	\$ 346,256	\$ 930,242	\$ 1,276,498
Donated assets	-	767,157	767,157	-	1,319,959	1,319,959
Donated services	365,090	-	365,090	472,301	-	472,301
Donated facilities	1,658	-	1,658	1,658	-	1,658
<b>Total support</b>	<b>449,710</b>	<b>2,342,432</b>	<b>2,792,142</b>	<b>820,215</b>	<b>2,250,201</b>	<b>3,070,416</b>
<b>Revenue:</b>						
Sales	5,267	1,157,997	1,163,264	1,000	190,414	191,414
Investment income	19,354	348,826	368,180	14,240	224,740	238,980
Realized gains/(loss) on sale of investments	51,736	956,414	1,008,150	(2,055)	(42,722)	(44,777)
Gain (Loss) on sale of donated fixed assets	-	(493,441)	(493,441)	-	260,171	260,171
Unrealized gain (loss) on investments	2,181	118,335	120,516	20,427	(79,022)	(58,595)
Charter fees	-	28,100	28,100	-	541,225	541,225
Other revenue	63,952	2,554	66,506	81,333	11,100	92,433
<b>Total revenue</b>	<b>142,490</b>	<b>2,118,785</b>	<b>2,261,275</b>	<b>114,945</b>	<b>1,105,906</b>	<b>1,220,851</b>
Total support and revenue before net assets released from restriction	592,200	4,461,217	5,053,417	935,160	3,356,107	4,291,267
Net assets released from restriction	3,271,867	(3,271,867)	-	3,060,535	(3,060,535)	-
<b>Total support and revenue</b>	<b>3,864,067</b>	<b>1,189,350</b>	<b>5,053,417</b>	<b>3,995,695</b>	<b>295,572</b>	<b>4,291,267</b>
<b>Expenses</b>						
Program services	3,366,450	-	3,366,450	3,120,614	-	3,120,614
Supporting services:						
Management and general	424,491	-	424,491	349,086	-	349,086
Fundraising	81,635	-	81,635	212,888	-	212,888
<b>Total expenses</b>	<b>3,872,576</b>	<b>-</b>	<b>3,872,576</b>	<b>3,682,588</b>	<b>-</b>	<b>3,682,588</b>
Change in net assets	(8,509)	1,189,350	1,180,841	313,107	295,572	608,679
<b>Net assets</b>						
Beginning of year	458,582	14,775,860	15,234,442	145,475	14,480,288	14,625,763
End of year	\$ 450,073	\$ 15,965,210	\$ 16,415,283	\$ 458,582	\$ 14,775,860	\$ 15,234,442

*See notes to financial statements.*

**Orange Coast College Foundation**  
**Statements of Cash Flows**

	<b>Years ended June 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Contributions, fundraising and other income	\$ 1,658,237	\$ 1,276,498
Interest	368,180	238,980
Operations	587,140	925,072
Cash paid for operating expenditures	(2,006,769)	(1,847,874)
Cash paid to students	(748,400)	(729,703)
<b>Net cash used in operating activities</b>	<b>(141,612)</b>	<b>(137,027)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of vessels	837,207	-
Purchase of investments	(13,232,545)	(1,043,646)
Proceeds from sale of investments	13,140,551	1,472,614
<b>Net cash provided by investing activities</b>	<b>745,213</b>	<b>428,968</b>
<b>Net change in cash and cash equivalents</b>	<b>603,601</b>	<b>291,941</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>401,748</b>	<b>109,807</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,005,349</b>	<b>\$ 401,748</b>
<b>Reconciliation of change in net assets to net cash used in operating activities</b>		
Change in net assets	\$ 1,180,841	\$ 608,679
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	748,434	594,343
Net realized and unrealized gain on investments and donated assets	(635,225)	(156,799)
Non-cash contributions received	(767,157)	(1,319,959)
Changes in assets and liabilities:		
Increase in pledges receivable	(570,730)	-
Increase in prepaid expenses	(3,459)	(2,470)
Increase (decrease) in accounts payable	(2,950)	49,116
Increase (decrease) in charter deposits	(100,000)	100,000
Increase (decrease) in due to Coast Community College District	8,634	(9,937)
<b>Net cash used in operating activities</b>	<b>\$ (141,612)</b>	<b>\$ (137,027)</b>

*See notes to financial statements.*



**Orange Coast College Foundation**  
**Statements of Functional Expenses**

**Year ended June 30, 2013**

<u>Description</u>	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated services	\$ 131,432	\$ 156,989	\$ 76,669	\$ 365,090
Donated facilities	-	1,658	-	1,658
Scholarship payments	748,400	-	-	748,400
Advertising	76	-	-	76
Office expenses	30,005	1,907	-	31,912
Travel and conferences	3,362	-	-	3,362
Depreciation	748,434	-	-	748,434
College and student assistance	525,415	-	-	525,415
Repairs and maintenance	203,459	2,648	-	206,107
Ceremonies and events	151,756	138,839	4,966	295,561
Public relations	1,125	-	-	1,125
Taxes	12,442	7,343	-	19,785
Printing and postage	9,679	-	-	9,679
Dues and memberships	6,369	-	-	6,369
Permits and licenses	-	170	-	170
Service charges	52,122	-	-	52,122
Management fees	54,034	-	-	54,034
Equipment and rentals	25,836	-	-	25,836
General operating expenses	662,504	114,937	-	777,441
<b>Total \$</b>	<b><u>3,366,450</u></b>	<b><u>424,491</u></b>	<b><u>81,635</u></b>	<b><u>3,872,576</u></b>

**Year ended June 30, 2012**

<u>Description</u>	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated services	\$ 170,029	\$ 203,089	\$ 99,183	\$ 472,301
Donated facilities	-	1,658	-	1,658
Scholarship payments	729,703	-	-	729,703
Advertising	350	-	-	350
Office expenses	34,610	6,021	-	40,631
Travel and conferences	3,447	-	-	3,447
Depreciation	598,343	-	-	598,343
College and student assistance	643,883	-	-	643,883
Repairs and maintenance	47,217	2,648	-	49,865
Ceremonies and events	79,481	93,390	88,334	261,205
Public relations	4,992	-	-	4,992
Taxes	2,867	7,343	-	10,210
Printing and postage	9,285	-	-	9,285
Dues and memberships	580	10,139	-	10,719
Permits and licenses	-	220	-	220
Service charges	63,444	-	-	63,444
Management fees	70,193	-	-	70,193
Equipment and rentals	19,099	-	-	19,099
General operating expenses	643,091	24,578	25,371	693,040
<b>Total \$</b>	<b><u>3,120,614</u></b>	<b><u>349,086</u></b>	<b><u>212,888</u></b>	<b><u>3,682,588</u></b>

*See notes to financial statements.*

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Orange Coast College Foundation (the Foundation) is a non-profit public benefit corporation organized under the Non-profit Public Corporation Law of the State of California. The Foundation was incorporated on August 7, 1984 with the express purpose of promoting and assisting the educational programs of Orange Coast College (the College) in accordance with the mission, policies and priorities of the College as administered by its President. The Foundation conducts its operations in conformity with general regulations established by the Coast Community College District (the District) as required by the Education Code Section 72672(c). The Foundation's Board of Directors is composed of members from the local community. The Foundation maintains boats, many of which were donated, to use in the educational programs at the College.

**Method of Accounting**

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into the following three classes:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Currently, the Foundation has no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalent**

Cash and cash equivalents are defined as cash in bank, certificates of deposit and highly liquid securities purchased with a maturity of three months or less.

**Investments**

Investments are recorded at fair value based on quoted market prices.

**Pledges Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

**Donated Property and Equipment**

Donated property and equipment are reflected as contributions in the accompanying statements at their estimated value at date of donation. For donated items with estimated fair values of \$5,000 or higher an appraisal is provided by the donor. This appraised value is the basis for the value recognized for the in-kind contribution.

**Tax Status**

The Foundation qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code 23701d.

The Foundation has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Foundation's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not (>50%) be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Foundation files information returns in the U.S. federal jurisdiction and the state of California. With few exceptions, the Foundation is no longer subject to U.S. federal and state examinations by tax authorities for years before 2009.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments**

Generally accepted accounting principles (GAAP) requires disclosure of an estimate of fair value of certain financial instruments. The Foundation's significant financial instruments are cash, marketable equity securities, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

**Concentrations of Credit Risk**

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments, equity holdings of domestic and foreign corporations, and mutual funds which invest primarily in short-term government securities. The Foundation typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000.

**Reporting Entity**

The District considered its financial and operational relationships with potential component units under the reporting entity definition of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Based upon the requirements of GASB Statement No. 14, and as amended by GASB Statement No 39, "Determining Whether Certain Organizations are Component Units," and by GASB Statement No. 61, "The Financial Reporting Entity Omnibus", certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the District, including their ongoing financial support to the District or its other component units

A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely, or almost entirely, for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the Foundation has been identified as a component unit and has been included in the District's reporting entity.

**NOTE 2      BENEFICIAL INTEREST IN CHARITABLE GIFT ANNUITY**

The Foundation received a donation in the form of a charitable gift annuity. The residual portion of this donation in the amount of \$36,136 has been recorded as a contribution. Any portion of the annuity remaining at the death of the donor will be recognized as an additional contribution at that time. The annuity is being administered by the Community College League of California for the benefit of the Foundation. The gift is given to benefit the academic missions and programs of the College to be allocated at the discretion of the College president and is included in temporarily restricted net assets at June 30, 2013.

**NOTE 3      INVESTMENTS**

**Fair Value Measurements**

Fair value is defined as the price that the Foundation would receive upon selling an asset in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset.

The three-tier hierarchy of fair value inputs is summarized in the three broad levels listed as follows:

Level 1: Quoted prices in active markets for identical assets

Level 2: Other significant observable inputs (including quoted prices of similar assets, interest rates and credit risk)

Level 3: Significant unobservable inputs (including Foundation's own assumptions in determining the fair value of assets)

**Orange Coast College Foundation  
Notes to Financial Statements  
Years Ended June 30, 2013 and 2012**

**NOTE 3 INVESTMENTS (CONTINUED)**

The following summarizes the Foundation's investments by category in the fair value hierarchy:

Types of Investments	June 30, 2013			
	Level 1	Level 2	Level 3	Total
Money market	\$ 246,175	\$ -	\$ -	\$ 246,175
Fixed income	3,086,900	-	-	3,086,900
Common stock	6,883,758	-	-	6,883,758
Hedge fund	505,793	-	-	505,793
Equity mutual funds	526,326	-	-	526,326
<b>Total</b>	<b>\$ 11,248,952</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,248,952</b>

Types of Investments	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Money market	\$ 1,331,305	\$ -	\$ -	\$ 1,331,305
Fixed income	4,062,747	-	-	4,062,747
Common stock	5,148,945	-	-	5,148,945
Hedge fund	262,994	-	-	262,994
<b>Total</b>	<b>\$ 10,805,991</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,805,991</b>

**NOTE 4 PLEDGES RECEIVABLE**

During the fiscal year ended June 30, 2013, the Foundation received unconditional promises to give related to the Orange Coast College Recycling Center and Planetarium projects. At June 30, 2013 and 2012, balances of pledges receivable are as follows:

<b>Pledges Receivable</b>	2013	2012
Receivable - less than one year	\$ 150,000	\$ -
Receivable - one to five years	450,000	-
Gross unconditional pledges	600,000	-
Less:		
Unamortized discount	(29,270)	-
Total	<b>\$ 570,730</b>	<b>\$ -</b>

Pledges receivable have been discounted to present value using a discount rate of 4.5%.

**Orange Coast College Foundation**  
**Notes to Financial Statements**  
**Years Ended June 30, 2013 and 2012**

**NOTE 5 CAPITAL ASSETS**

The Foundation capitalizes all expenditures in excess of \$5,000 for property and equipment and records them at cost when acquired or fair value at time of donation. The provision for depreciation is computed using the straight-line method over the estimated useful lives, which range from four to twenty-five years. Capital assets at June 30, 2013 and 2012 consisted of the following:

	Balance			Balance
Capital Assets:	July 1, 2012	Additions	Retirements	June 30, 2013
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Equipment	63,500	83,182	-	146,682
Boats	6,136,227	1,137,943	(2,879,762)	4,394,408
Total cost	<u>6,209,727</u>	<u>1,221,125</u>	<u>(2,879,762)</u>	<u>4,551,090</u>
Accumulated depreciation:				
Equipment	(4,000)	(16,225)	-	(20,225)
Boats	(2,156,912)	(732,209)	931,465	(1,957,656)
	<u>(2,160,912)</u>	<u>(748,434)</u>	<u>931,465</u>	<u>(1,977,881)</u>
Net capital assets	<u>\$ 4,048,815</u>	<u>\$ 472,691</u>	<u>(1,948,297)</u>	<u>\$ 2,573,209</u>
Assets held for sale	<u>\$ 121,221</u>	<u>\$ 1,229,791</u>	<u>(288,411)</u>	<u>\$ 1,062,601</u>
	Balance			Balance
Capital Assets:	July 1, 2011	Additions	Retirements	June 30, 2012
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Equipment	108,205	-	(44,705)	63,500
Boats	5,003,961	1,944,162	(811,896)	6,136,227
Total cost	<u>5,122,166</u>	<u>1,944,162</u>	<u>(856,601)</u>	<u>6,209,727</u>
Accumulated depreciation:				
Equipment	-	(4,000)	-	(4,000)
Boats	(1,939,853)	(594,343)	377,284	(2,156,912)
	<u>(1,939,853)</u>	<u>(598,343)</u>	<u>377,284</u>	<u>(2,160,912)</u>
Net capital assets	<u>\$ 3,182,313</u>	<u>\$ 1,349,819</u>	<u>(479,317)</u>	<u>\$ 4,048,815</u>
Assets held for sale	<u>\$ 35,524</u>	<u>\$ 87,972</u>	<u>(2,275)</u>	<u>\$ 121,221</u>

The costs of certain California Department of Boating and Waterways (DBW) owned vessels, which are used by the Foundation in connection with the College's educational programs, are not reflected in the statement of financial position because asset titles remain with the DBW.

**NOTE 6 SALE OF DONATED CAPITAL ASSETS**

The Foundation records donated assets at their fair value on the date of the donation. For donated items used for instructional purposes, these items are recognized as capital assets and depreciated as described in Note 5. Upon the disposal or sale of the fixed assets, the Foundation recognizes either a gain or loss from the disposal or sale of the donated assets.

**NOTE 7 RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES**

Temporarily restricted net assets consist of the following at June 30, 2012 and 2011:

	2013	2012
Scholarships and grants	\$ 3,871,772	\$ 3,402,202
College and student assistance	10,243,877	9,996,912
Charitable gift annuity held by trustee	36,136	36,136
Capital projects:		
Art pavilion	10,724	3,501
Baseball field house	-	4,936
Recycling center and planetarium	570,730	-
Sailing center expansion	1,231,971	1,332,173
Total	\$ 15,965,210	\$ 14,775,860

**NOTE 8 OTHER TRUSTS**

**Greenleaf Educational Fund**

In 1975, the Foundation became a beneficiary of a one-half interest in the estate of Hazel Cubbon Greenleaf. The will established the Hazel Cubbon Greenleaf Educational Fund (the trust) with one-half of the assets in the estate. During the fiscal year, the Foundation received investment income of approximately \$31,000 from this trust. At June 30, 2013, the Foundation's share of the trust's fair value was approximately \$468,000. The Foundation will not receive its share of the trust assets until the last heir to the estate passes away. The donation will be recognized at that time.

**Foundation For California Community Colleges- Osher Fund**

From 2009 to 2011 the Foundation for California Community Colleges participated in a scholarship matching grant program from the Bernard Osher Foundations. As a result of donor contributions from donors the OCC Foundation holds a beneficial interest in approximately \$33,000 of funds whose earnings provide scholarships for OCC students.



**NOTE 9            NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets of \$3,271,867 and \$3,060,535 were released from temporary donor restrictions during the fiscal years ended June 30, 2013 and 2012, respectively. The Foundation met donor imposed restrictions by incurring qualified expenses.

**NOTE 10          RELATED PARTIES**

The Foundation provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as distributions, student programs, and scholarship expense.

The Foundation's primary purpose is to assist in the institutional development and encourage community support to the College. The Foundation receives gifts, property and funds to be used for the benefit of the College, its programs, and any person or organization having an official relationship with the College. To assist the Foundation in carrying out its purpose, the District provides administrative services to the Foundation. The District pays salaries and benefits of the executive director, administrative assistants and accountants. In addition, working space for employees who perform administrative services for the Foundation is provided by the District at no charge. The donated services and facilities for the fiscal year 2013 were valued at \$365,090 and \$1,658, and for fiscal year 2012 were valued at \$472,301 and \$1,658, respectively, and have been reflected in the financial statements as donated services and facilities.

**NOTE 11          SUBSEQUENT EVENTS**

The Foundation has evaluated events or transactions that occurred subsequent to June 30, 2013 through November 26, 2013, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements. The Foundation has determined that no subsequent events required disclosure or adjustment to the accompanying financial statements.